

Senate Study Bill 1157 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act relating to the statewide fire and police retirement
2 system.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 400.8, subsection 1, Code 2011, is
2 amended to read as follows:

3 1. The commission, when necessary under the rules,
4 including minimum and maximum age limits, which shall be
5 prescribed and published in advance by the commission and
6 posted in the city hall, shall hold examinations for the
7 purpose of determining the qualifications of applicants
8 for positions under civil service, other than promotions,
9 which examinations shall be practical in character and shall
10 relate to matters which will fairly test the mental and
11 physical ability of the applicant to discharge the duties of
12 the position to which the applicant seeks appointment. The
13 physical examination of applicants for appointment to the
14 positions of police officer, police matron, or fire fighter
15 shall be held in accordance with medical protocols established
16 by the board of trustees of the fire and police retirement
17 system established by section 411.5 and shall be conducted
18 in accordance with the directives of the board of trustees.
19 However, the prohibitions of section 216.6, subsection 1,
20 paragraph "d", regarding tests for the presence of the antibody
21 to the human immunodeficiency virus shall not apply to such
22 examinations. The board of trustees may change the medical
23 protocols at any time the board so determines. The physical
24 examination of an applicant for the position of police officer,
25 police matron, or fire fighter shall be conducted after a
26 conditional offer of employment has been made to the applicant.
27 An applicant shall not be discriminated against on the basis
28 of height, weight, sex, or race in determining physical or
29 mental ability of the applicant. Reasonable rules relating to
30 strength, agility, and general health of applicants shall be
31 prescribed. The costs of the physical examination required
32 under this subsection shall be paid from the trust and agency
33 fund of the city. In the event of a conflict between the
34 medical protocols established under this section and the
35 minimum entrance requirements of the Iowa law enforcement

1 academy established under section 80B.11, the medical protocols
2 established under this section shall control.

3 Sec. 2. Section 411.1, Code 2011, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 23. "*Vested member*" means a member who has
6 become eligible to receive monthly retirement benefits upon the
7 member's retirement as the result of either age or years of
8 service. A member must meet one of the following requirements
9 to be vested:

10 a. Complete at least four years of service.

11 b. Attain the age of fifty-five while performing membership
12 service.

13 Sec. 3. Section 411.5, subsection 12, paragraph e, Code
14 2011, is amended to read as follows:

15 e. Notwithstanding any provision of this chapter to the
16 contrary, ~~a member's service retirement allowance shall~~
17 ~~commence on or before the later of the following:~~ all benefits
18 under this chapter shall commence no later than the required
19 beginning date, as set forth in section 401(a)(9) of the
20 Internal Revenue Code and shall also comply with the required
21 minimum distribution provisions of that section.

22 ~~{1} April 1 of the calendar year following the calendar year~~
23 ~~in which the member attains the age of seventy and one-half~~
24 ~~years.~~

25 ~~{2} April 1 of the calendar year following the calendar year~~
26 ~~in which the member retires.~~

27 Sec. 4. Section 411.6, subsection 1, paragraph b, Code 2011,
28 is amended to read as follows:

29 b. Any member in service who has been a member of the
30 retirement system four or more years and whose employment is
31 terminated prior to the member's retirement, other than by
32 death or disability, shall upon attaining retirement age,
33 receive a service retirement allowance of four twenty-seconds
34 of the retirement allowance the member would receive at
35 retirement if the member's employment had not been terminated,

1 and an additional one twenty-second of such retirement
2 allowance for each additional year of service not exceeding
3 twenty-two years of service. The amount of the retirement
4 allowance shall be calculated in the manner provided in this
5 paragraph using the average final compensation at the time of
6 termination of employment. Any member in service who achieved
7 vested status based on attainment of age fifty-five and who
8 has less than four years of service shall, upon termination
9 of service and application to the system, receive a service
10 retirement allowance equal to one twenty-second of the
11 retirement allowance the member would have received based on
12 twenty-two years of service, multiplied by the number of years
13 of service credited to the member.

14 Sec. 5. Section 411.6, subsection 8, paragraph c,
15 subparagraph (3), Code 2011, is amended by striking the
16 subparagraph.

17 Sec. 6. Section 411.9, Code 2011, is amended by adding the
18 following new subsections:

19 NEW SUBSECTION. 3A. In the case of a member's death or
20 disability occurring on or after January 1, 2007, if the member
21 is unable to resume membership service as a result of death
22 or disability while performing qualified military service
23 as defined in section 414(u) of the Internal Revenue Code,
24 the member shall be treated as if the member had returned to
25 membership service and the period of military service shall be
26 treated as membership service.

27 NEW SUBSECTION. 3B. In the case of a member's disability
28 incurred while performing qualified military service as defined
29 in section 414(u) of the Internal Revenue Code, the member
30 shall be treated as a member in good standing, whether or
31 not the member returns to membership service, and shall be
32 permitted to file an application for a disability pension with
33 the system. The disability shall be treated as an ordinary
34 disability pursuant to section 411.6, subsection 4.

35 Sec. 7. Section 411.23, subsection 1, Code 2011, is amended

1 to read as follows:

2 1. Commencing July 1, 1990, if an active member, in service
3 on or after that date, terminates service, other than by death
4 or disability, the member may elect to withdraw the member's
5 contributions under section 411.8, subsection 1, paragraphs "f"
6 and "h", together with interest thereon at a rate determined by
7 the board of trustees. If the member is married at the time
8 of the application for withdrawal, the application is subject
9 to the consent of the member's spouse unless the amount to
10 be withdrawn does not exceed five thousand dollars or such
11 other amount as may be established under section 401(a) of the
12 Internal Revenue Code. If a member withdraws contributions as
13 provided in this section, the member shall be deemed to have
14 waived all claims for other benefits from the system for the
15 period of membership service for which the contributions are
16 withdrawn.

17 Sec. 8. Section 411.36, subsection 1, paragraph a,
18 subparagraph (3), Code 2011, is amended to read as follows:

19 (3) A city treasurer, city financial officer, ~~or~~ city clerk,
20 or other city officer involved with the management of the
21 financial matters of the city from four participating cities,
22 one of whom is from a city having a population of less than
23 thirty thousand, and three of whom are from cities having a
24 population of thirty thousand or more. The members authorized
25 pursuant to this paragraph shall be appointed by the governing
26 body of the Iowa league of cities.

27 EXPLANATION

28 This bill makes changes relating to the statewide fire and
29 police retirement system.

30 The bill amends Code section 400.8 to provide that, in terms
31 of civil service examinations, when certain medical protocols
32 of the civil service entrance examination requirements conflict
33 with certain minimum entrance requirements of the Iowa law
34 enforcement academy, the medical protocols will control.

35 The bill amends Code section 411.1 to provide a definition

1 for vested members within the retirement system for police
2 officers and fire fighters, stating that a vested member is
3 a member who becomes eligible to receive monthly retirement
4 benefits by either completing four years of service or reaching
5 the age of 55 while serving.

6 The bill amends Code section 411.5 to provide that the
7 distribution of benefits from the retirement system for
8 police officers and fire fighters must begin no later than the
9 required beginning date, set forth in section 401(a)(9) of the
10 Internal Revenue Code and must also comply with the minimum
11 distribution provisions of the same section. Current law bases
12 the initial distribution based upon age of the member or the
13 year in which the member retires.

14 The bill amends Code section 411.6 to require that an
15 individual achieving vested status on the basis of age alone
16 shall receive retirement payments equal to one twenty-second of
17 the allowance they would have received for 22 years of service,
18 multiplied by years of actual service performed by the member.

19 Code section 411.6 is also amended to strike language that
20 would allow a member's dependent father or mother, or both, to
21 act as possible beneficiaries of certain pension benefits under
22 the system.

23 Code section 411.9 is amended to provide that if a member,
24 on or after January 1, 2007, becomes unable to return to
25 membership service as a result of death or disability suffered
26 while performing qualified military service, the period of
27 qualified military service must also be treated as membership
28 service within the retirement system for police officers and
29 fire fighters. The Code section is also amended to require
30 that if a member's disability occurred while performing
31 qualified military service that the member must be treated in
32 good standing and be able to file for a disability pension with
33 the system. The bill specifies that the disability must be
34 treated as an ordinary disability for purposes of the system.

35 The bill amends Code section 411.23 to provide that a married

1 member seeking to make a withdrawal of over \$5,000 from the
2 system must have the consent of the member's spouse. The
3 bill states that the figure may change in accordance with the
4 provisions of section 401(a) of the Internal Revenue Code.

5 In relation to the system's board of trustees, current law
6 (Code section 411.36) provides that four voting members of the
7 board must be either a city treasurer, city financial officer,
8 or city clerk involved with the financial matters of a city.
9 The bill provides that a trustee may also be any other city
10 officer involved with the management of the financial matters
11 of the city. The bill further requires that each of these four
12 members must be involved specifically with the management of
13 the financial matters of the city.